

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13 L-03
NSAE-00 NSC-05 EB-08 NRC-05 OES-07 SOE-02 DODE-00
DOE-15 SS-15 SP-02 CEQ-01 PM-05 H-01 PA-01
USIA-06 COME-00 /124 W
-----040582 301701Z /45
R 300856Z MAR 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 0000

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E. O. 11652: NA
TAGS: ENRG, RP
SUBJECT: PRESIDENT MARCOS SPEAKS OUT ON WESTINGHOUSE NUCLEAR
PROJECT

REF: MANILA 4871

1. SUMMARY. PRESIDENT MARCOS SPOKE OUT ON THE WESTINGHOUSE NUCLEAR POWER PROJECT FOR THE FIRST TIME MARCH 27 BEFORE THE ASSOCIATION OF FILIPINO BROADCASTERS. HE DENIED ALL ALLEGATIONS OF WRONG-DOING. TEXT OF HIS COMMENTS I REPEATED BELOW. END SUMMARY.

2. PRESIDENT MARCOS DENIED ALLEGATIONS OF IMPROPRIETY IN THE GOP AWARD OF THE CONTRACT FOR THE NUCLEAR POWER PROJECT TO WESTINGHOUSE IN A SPEECH MARCH 27 BEFORE THE ASSOCIATION OF FILIPINO BROADCASTERS (REPORTED REFTEL). THIS IS THE FIRST TIME MARCOS HAS SPOKEN PUBLICLY ON THE ISSUE. HIS COMMENTS ON THIS SUBJECT RECEIVED MINIMAL LOCAL PRESS COVERAGE, WHICH FOCUSED ON OTHER ASPECTS OF THE SAME SPEECH, NAMELY FOREIGN MEDDLING IN THE UPCOMING ELECTIONS.

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3. MARCOS'S COMMENTS ON THE WESTINGHOUSE PROJECT WERE CARRIED AT THE TAG-END OF A LONG ARTICLE COVERING THE SPEECH IN THE BULLETIN TODAY OF MARCH 29, AND WERE MENTIONED TWO DAYS RUNNING IN TEODORO VALENCIA'S DAILY EXPRESS COLUMN, MAINLY IN THE CONTEXT THAT MARCOS AND THE HERDIS GROUP WERE NOT BEING COVERED BY "WILD ALLEGATIONS" OF THE OPPOSITION. UPI CARRIED A FAIRLY DETAILED ACCOUNT

OF THE PRESIDENT'S REMARKS MARCH 28 DATE LINED MANILA.

4. TO COMPLETE THE RECORD, THERE FOLLOWS AN EMBASSY TRANSCRIPTION OF A TAPE OF THE RELEVANT PORTION OF THE MARCOS SPEECH: BEGIN QUOTE: IN THIS I REFER TO THE WESTINGHOUSE PROBLEM. ON THE QUESTION OF NATIONAL SECURITY, AND NUCLEAR POWER PLANTS, DEPUTY ASSISTANT SECRETARY FOR ATOMIC ENERGY FOR THE UNITED STATES, (SIC) MR. LOUIS NOCENSO, APPEARED BEFORE THE UNITED STATES CONGRESSIONAL COMMITTEE THAT IS CONDUCTING AN INVESTIGATION OF THIS PARTICULAR MATTER. AND STATED BEFORE THAT COMMITTEE, THE THE DEVELOPMENT OF NUCLEAR POWER IN THE PHILIPPINES IS CONSISTENT WITH AND SUPPORTIVE OF THE OVERALL NON-PROLIFERATION POLICY OF THE UNITED STATES AND OTHER COUNTRIES. HE FURTHER STATED THAT THE UNITED STATES EXPORT/IMPORT BANK HAS DETERMINED THE PROJECT TO BE VIABLE AND THE PRICE TO BE REASONABLE. IN FACT I HAVE HERE THE DATA WHICH INDICATES THAT THE PRICE FOR THIS PARTICULAR PROJECT IS VERY MUCH LOWER THAN THE PRICE THAT WAS PAID BY KOREA AND EGYPT (SIC) FOR SIMILAR PROJECTS. AT THE SAME TIME THERE ARE CHARGES OF A PHILIPPINE COMPANY OR A PHILIPPINE INDIVIDUAL HAVING UTILIZED INFLUENCE TO OBTAIN THIS CONTRACT. MAY I REFER YOU, THEREFORE, TO THE RECORDS OF THE INVESTIGATING COMMITTEE OF THE UNITED STATES CONGRESS AND THE SECURITIES AND EXCHANGE COMMISSION OF THE UNITED STATES WHICH HAS CONDUCTED AN INVESTIGATION INTO THE MATTER, AND WHICH THE OPPOSITION HAS CONVENIENTLY LIMITED OFFICIAL USE

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DISCARDED. AND FULL ATTENTION TO THE FACT THAT SOMETIME IN 1974, ON JUNE 17, 1974, THE NATIONAL POWER CORPORATION, AFTER VARIOUS CONSULTATIONS WITH AN AMERICAN OWNED COMPANY KNOWN AS ASIA INDUSTRIES, ISSUED A LETTER OF INTENT WHICH WAS A CONTRACT TO AWARD THIS PARTICULAR MATTER TO WESTINGHOUSE AND THAT DATE IS JUNE 17, 1974. THIS WAS THE AWARD OF THE CONTRACT TO WESTINGHOUSE. WESTINGHOUSE WAS CHOSEN BECAUSE IF OFFERED A TURN-KEY PROJECT AND WAS WILLING TO ASSUME ALL THE RISKS AND OBLIGATIONS IN THE EVENT THE NUCLEAR POWER PLANT WILL NOT OPERATE AS SUPPOSEDLY PROPOSED. WHEREAS GENERAL ELECTRIC WANTED TO, WHAT YOU CALL, ENGINEER THE PROJECT, MEANING THEY REFUSED TO ASSUME ANY RISKS, ANY OBLIGATION IF THE NUCLEAR POWER PLANT WOULD NOT OPERATE AND WOULD NOT PRODUCE ANY ELECTRICITY THEY WOULD HOLD THE PHILIPPINE GOVERNMENT RESPONSIBLE AND NOT THE CONTRACTOR,

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ACTION EA-12

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GENERAL ELECTRIC. I HAVE REMAINED QUIET ABOUT THIS BECAUSE TO ME THIS MATTER IS SUB JUDICE, PENDING BEFORE THE CONGRESS OF THE UNITED STATES AND I HAVE NO INTENTION OF GETTING THE PRESIDENT OF OUR COUNTRY TO BE SPEAKING BEFORE A UNITED...ANY FOREIGN CONGRESSIONAL COMMITTEE. AS IF, I HAVE TO EXPLAIN THE ACTUATIONS, OFFICIAL OR OTHERWISE, OF THE PRESIDENT OF THE PHILIPPINES TO THAT FOREIGN UNIT. BUT WHATEVER IT IS, THIS CONTRACT WAS AWARDED ON JUNE 17, 1974. THE PHILIPPINE COMPANY WHICH LATER ACQUIRED THIS FOREIGN COMPANY THAT WAS IN CONSULTATION OR HAD SOUGHT THIS CONTRACT FOR THE WESTINGHOUSE, THE PHILIPPINE COMPANY ACQUIRED AN INTEREST IN ASIA INDUSTRIES WHICH IS THE AGENT OF WESTINGHOUSE ONE YEAR AFTER THE CONTRACT WAS AWARDED WITH THE PHILIPPINE GOVERNMENT. AND SO, WHAT THEN IS THE INFLUENCE THAT WAS EXERTED BY FILIPINOS ALLEGEDLY IN FAVOR OF WESTINGHOUSE. THEN THEY REFER TO CONTRACTS FOR CONSTRUCTION IN BATAAN. THE GOVERNMENT HAS NOTHING WHATSOEVER TO DO WITH CONSTRUCTION. THIS IS A TURN-KEY PROJECT AND WESTINGHOUSE IS RESPONSIBLE FOR ALL CONSTRUCTION. IF THEY WANT TO AWARD THE CONTRACT TO ANYONE, THAT'S THEIR BUSINESS. BUT WE SHOULD NOT BE HELD RESPONSIBLE FOR WHATEVER WESTINGHOUSE IS DOING IN PURSUANCE TO AND IMPLEMENTATION OF THE CONTRACT WITH THE PHILIPPINE

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GOVERNMENT. I AM A LITTLE RILED BY ALL OF THESE ACCUSATIONS BECAUSE A LITTLE SINCERE AND HONEST RESEARCH ON THE PART OF THE FOREIGN MEDIA AS WELL AS OUR LOCAL OPPOSITION WOULD HAVE BROUGHT OUT THESE FACTS WITHOUT HAVING TO DEMEAN THE PRESIDENT, COMPELLING THE PRESIDENT TO APPEAR BEFORE YOU AND EXPLAINING ALL THESE DETAILS. END QUOTE.

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